

OFFICE OF THE ATTORNEY GENERAL

86-00072

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DEC 6 1985

ADMINISTRATIVE BUILDING
64 NORTH UNION STREET
MONTGOMERY, ALABAMA 36130
AREA (205) 834-5150

Honorable F. Lawrence Oaks
Executive Director
Alabama Historical Commission
725 Monroe Street
Montgomery, AL 36130-5101

Historical Commission - Insurance
- State Insurance Fund - Parks &
Recreation

State Insurance Fund should
reimburse loss of Alabama
Historical Commission in the
amount of \$250,000.

Dear Mr. Oaks:

The opinion request of the Alabama Historical Commission has been received in the Office of the Attorney General. Your request presents the following facts:

On August 14, 1985, I instructed Ms. Margie Boston of my office to notify the State Insurance Fund to increase the insurance coverage on the 39th Coastal Artillery Barracks building at Fort Morgan State Park to \$250,000.00. Prior to August 14th, the building had been insured for \$168,200.00 and before that it was insured for \$81,800.00. The reason for the increase in the need for insurance is that the Commission completed Phase I of the restoration of this building during August. After discussing the matter of placing a realistic value on the building after Phase I was completed with our architect and contractor, we determined that it would cost approximately \$325,000.00 to replace the structure. Since our coverage on the building was 80% of the value of building, we felt that \$250,000.00 in insurance would be sufficient.

On September 2, 1985, the barracks building was totally destroyed by Hurricane Elena. Upon reporting the loss to the State Insurance Fund, we discovered that they interpreted our letter to mean that the building was valued at \$250,000.00 and that the insurance coverage was only \$200,000.00.

I have enclosed our letter of August 14, 1985, to the State Insurance Fund requesting the insurance. I have also enclosed the bill for the increased insurance from the State Insurance Fund dated August 21, 1985. When we paid the premium, we were unaware that the premium only insured the building for \$200,000.00.

The August 14, 1985 letter from the Alabama Historical Commission, in pertinent part, states:

Please increase the insurance on the barracks building to \$250,000 as of this date.


The letter did not say to increase the value of the building to \$250,000. It is, therefore, the opinion of this office that the State Insurance Fund should pay to the Alabama Historical Commission the amount of \$250,000.

I do hope that this response sufficiently answers your inquiry. If, however, we may be of further service, please do not hesitate to contact us.

Sincerely yours,

CHARLES A. GRADDICK
Attorney General

By:


CAROL JEAN SMITH
Assistant Attorney General

CAG/CJS/pd